Government of Saskatchewan

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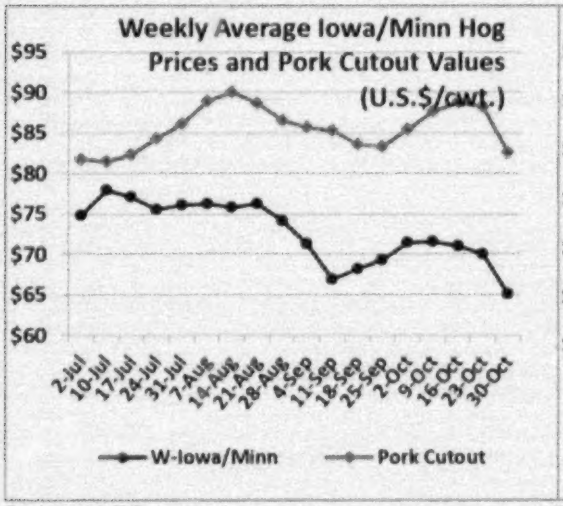
Weekly Hog Report

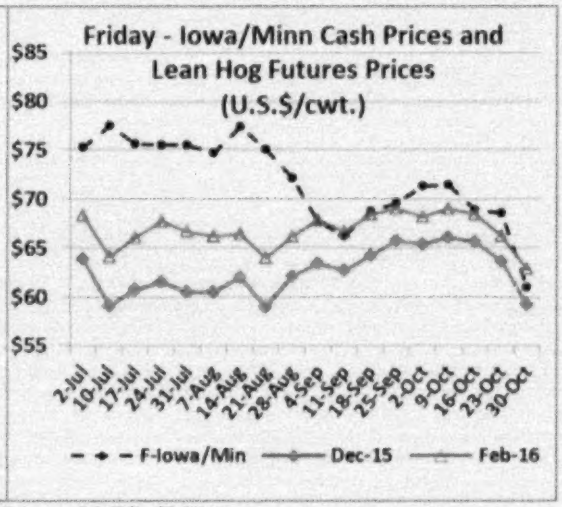
November 2, 2015

Cash Slaughter Weight Hog Prices

United States daily average cash hog prices (Iowa/Minn) moved significantly lower last week on weaker pork cutout values. Hog prices on Friday October 30 averaged US$60.97 per cwt, down US$7.51 per cwt or 11 per cent from US$68.48 per cwt the previous Friday. The negotiated base price last week averaged US$65.11 per cwt, down US$4.96 per cwt or 7.1 per cent from US$70.07 per cwt the previous week.



Source: LMIC



Source: LMIC, CME

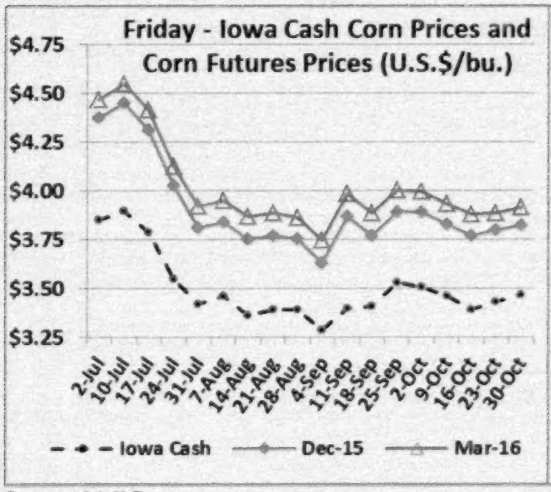
In Canada, the Signature#3 (Maple Leaf) Index 100 daily price for Friday Oct. 30, 2015 was $152.30 per ckg, down $14.48 per ckg or 8.7 per cent from $166.78 per ckg the previous Friday. Signature#3 weekly prices (Friday to Thursday) averaged $158.97 per ckg, down $7.68 per ckg or 4.6 per cent from the previous weeks' average price of $166.65 per ckg. The Canadian dollar edged higher increasing 0.58 cents to close Friday at 76.48 cents; up from the previous Friday's close of 75.90 cents.

Futures Markets

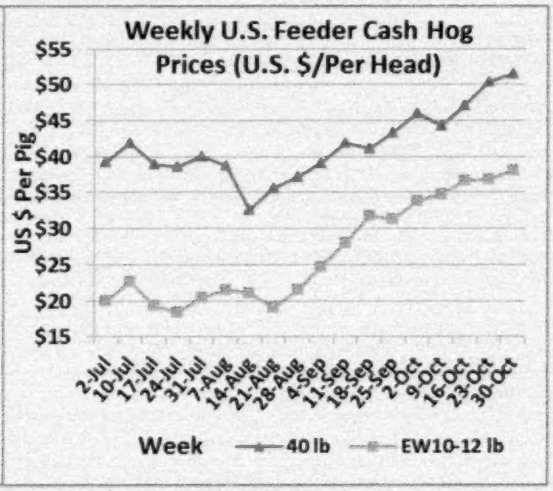
United States Lean hog futures daily prices were primarily lower last week and ended lower, week-over-week. The nearby December contract declined US$4.400 per cwt to settle Friday at US$59.200 per cwt, while the February 2016 contract declined US$3.400 per cwt to settle Friday at US$62.750 per cwt. Current cash hog prices are almost US$2 per cwt above the December lean hog futures contract, but almost $2 per cwt below the February 2016 futures contract.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash hog prices were overall higher last week. Weighted average cash prices for iso-weans (12lb) last week were US$38.04 per head, up US$1.20 per head from US$36.84 per head the previous week. Feeders (40lb) were US$51.54 per head, up $1.20 per head from US$50.34 per head the previous week.



Source: LMIC



Source: Iowa Agriculture, CME

Iowa cash corn prices edged higher last week increasing four cents to settle Friday at US$3.47 per bushel. Corn futures prices also edged overall higher last week. The December corn futures contract increased 2.5 three cents over the week to settle Friday at $3.82¼ per bushel, while the March 2016 contract increased almost three cents to settle Friday at $3.91½ per bushel.

Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending October 31 were estimated at 2.253 million head, down 2.6 per cent from 2.312 million head the previous week, but up 2.7 per cent from 2.194 million head the same week a year ago. U.S. hogs slaughtered over the last four weeks ending October 31 averaged 2.294 million head per week, up 5.9 per cent from 2.167 million head over the same period a year ago.

In Canada, federal and provincial hog slaughter numbers for the week ending October 24, 2015 were estimated at 432,236 head, up 21.7 per cent from 355,136 head the previous shorter holiday week, but up 2.1 per cent from 423,396 head the same week a year ago. Canadian hogs slaughtered over the last four weeks ending October 24, 2015, were estimated to average 407,136 head, up 2.1 per cent from 398,727 head over the same period a year ago. Year-to-date, Canadian hogs slaughtered are estimated at 17.169 million head, up 2.7 per cent from 16.724 million head over the same period in 2014.

In Western Canada, hogs slaughtered over the last four weeks averaged 170,092 head, up 4.6 per cent from 162,678 head the same four weeks in 2014. Year-to-date, hogs slaughtered in Western Canada are estimated at 7.121 million head, up 3.6 per cent from 6.876 million head over the same period in 2014.

Meat Production

U.S. pork production for the week ending October 31, 2015 was estimated at 475.4 million lb., down 2.3 per cent from 486.4 million lb. the previous week, but up 0.8 per cent from 471.7 million lb. the same week a year ago. Pork production over the last four week's ending October 31 was estimated to average 484.0 million lb., up 4.4 per cent from 463.6 million lb. over the same four week period a year ago.

U.S. beef production for the week ending October 31 was estimated at 470.1 million lb., down 0.3 per cent from 471.4 million lb. the previous week, but up 2.7 per cent from 457.6 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken and turkey over the four weeks ending October 24, 2015, was estimated to average 2.101 billion lb., up 3.6 per cent from 2.028 billion lb. over the same four weeks a year ago. Year-to-date, total U.S. meat production for 2015 is estimated to be up 3.8 per cent compared to the same period in 2014.

United States Weekly Meat Production

(Oct. 24) Four Week Average - Million Lb.			Percent Change	
	2014	2015	4 Week	YTD 2015
Pork	456.6	484.6	6.1%	7.8%
Beef	470.6	477.5	1.5%	-3.1%
Chicken	955.8	1,004.7	5.1%	6.5%
Turkey	144.6	134.6	-6.9%	-4.3%
Total	**2,027.6**	**2,101.4**	**3.64%**	**3.76%**

Source: LMIC

Cutout Values

U.S. pork cutout values for the week ending Oct. 31, 2015 averaged US$82.55 per cwt, down US$5.67 per cwt or 6.4 per cent from US$88.22 per cwt the previous week, and down 16.2 per cent from US$98.51 per cwt from a year ago. Pork cutout values on Friday were US$78.14 per cwt, down US$7.84 per cwt or 9.1 per cent from US$85.98 per cwt the previous Friday. Pork cutout prices were dragged lower by a big drop in primal belly prices which declined US$32.83 per cwt (-20%), week-over-week. Pork markets were likely affected by the World Health Organization report that classified processed meats as group 1 carcinogens, with red meat as "probably carcinogenic to humans" (group 2A).

Choice beef cutout prices (600-900 lb.) for the week ending October 31, 2015 averaged US$219.22 per cwt, up US$3.19 per cwt or 1.5 per cent from US$216.03 per cwt the previous week, but down 12.9 per cent from US$251.79 per cwt a year ago.

Average chicken cutout values (breast) for the week ending October 31, 2015 averaged US$107.96 per cwt, up US$1.35 per cwt from US$106.61 per cwt the previous week, but down 27.7 per cent from US$149.39 per cwt the same week a year ago.

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